Telepay User Guide.

Controlling your business payments.

BANK OF SCOTLAND

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Introduction.

Bank of Scotland Telepay is a simple, efficient automated payments service that can save you time and valuable resources. All regular payments – weekly wages, monthly salaries, expenses and payments to suppliers, can be processed by the Bank of Scotland Telepay.

The service is based on a file of information held on a central computer, known as the Telepay Masterfile. This contains the relevant information (supplied by you) needed for making payments through the Bacs system. We use the advantages of the Bacs system, to ensure payments are debited from your account and credited to your beneficiaries' accounts on the same day.

The Telepay service is operated through Parseq, an established processing bureau, who provide a confidential, secure and high quality payment service for you. Payments are made by faxing or telephoning the Telepay Processing Centre with details of who you wish to pay, along with the date and the amount you wish to pay them. Your beneficiaries' details are held on a Masterfile.

Once your Masterfile has been set up, the Telepay processing centre will process your payment instructions. They'll send you full details of your instructions for you to check against your records and audit.

This guide gives you step-by-step instructions on setting up and using Telepay. The submission methods have been separated to make it easier to follow.

If you have any queries when setting up the service or making operational amendments, such as address changes, please contact:

Bank of Scotland Telepay
PO Box 304
Rotherham
S66 6AD

Telephone: **0844 571 0345**
(9am – 5.30pm)
Fax: **0844 571 0381**

Time cycle.

Telepay is a future dated payment service that uses the Industry standard Bacs processing cycle. Payment instructions can be submitted to Telepay up to 30 working days in advance of the date you require the payment(s) to be made, but instructions must be submitted at least two working days before the crediting day.

The diagram opposite shows the time cycle for the Telepay process. All fax submissions to Telepay must be completed by 3.30pm and all telephone submissions by 4.30pm. Your bank however, will be deemed to have received your payment instruction on the date of your specified payment date. Your account will be debited and your beneficiaries' accounts credited on day 3 of the Bacs cycle.

DAY 1 INPUT DAY	DAY 2 PROCESSING DAY	DAY 3 CREDITING DAY
Customer submits to Telepay	Processing	Funds available at the beneficiary's account

Password issue.

As Telepay is used as an intermediary between yourselves and the Bacs system, security is very important. You use a password to gain access and validate your submissions to Telepay and the rules set out below **must** be followed:

a) Two nominated contacts, prime and secondary, must be appointed by you. These will be the only two persons who should acknowledge receipt of, and have control of the passwords.

b) Any alterations to your nominated prime or secondary contact must be advised immediately in writing to the Telepay Processing Centre.

c) You'll receive a set of 36 computer-generated password labels in a tamper-proof sealed envelope, and issued with an acknowledgement form. This must be signed by one of your nominated contacts, then returned to the Telepay Processing Centre.

d) The acknowledgement form must be returned before your first submission.

Passwords are not valid until the Telepay section has received your acknowledgement and therefore payment submissions will not be accepted until receipt.

e) To stop unauthorised use, all passwords should be kept in a secure place. Lost passwords must be reported immediately to the Telepay Helpdesk on **0844 571 0345**.

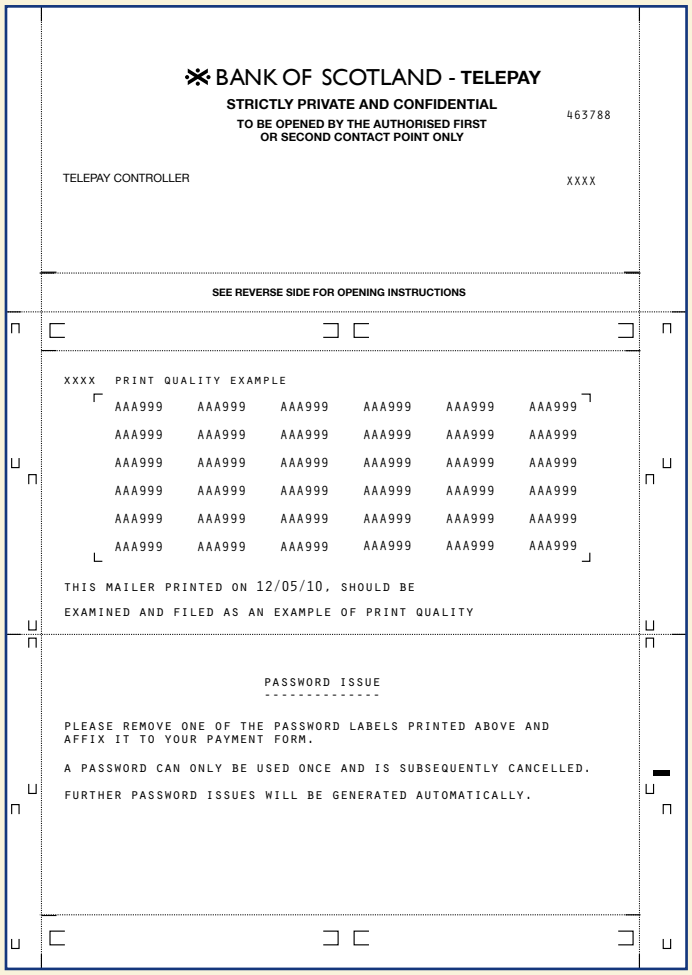
f) A new password must be used each time you make a submission. Telepay cannot accept the same password twice.

g) It doesn't matter whether you use the passwords by row or by column. However, any incorrect password given won't allow the Telepay operator to continue to process your submission.

h) New passwords will be issued automatically before completion of your previous set. You'll also receive an acknowledgement form which must be signed by one of your nominated contacts and returned to the Telepay Processing Centre.

You must use the remaining passwords on your current set before starting a new set.

Password mailer.



BANK OF SCOTLAND - **TELEPAY**

STRICTLY PRIVATE AND CONFIDENTIAL
TO BE OPENED BY THE AUTHORISED FIRST OR SECOND CONTACT POINT ONLY

463788

TELEPAY CONTROLLER

XXXX

SEE REVERSE SIDE FOR OPENING INSTRUCTIONS

XXXX PRINT QUALITY EXAMPLE

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THIS MAILER PRINTED ON 12/05/10, SHOULD BE
EXAMINED AND FILED AS AN EXAMPLE OF PRINT QUALITY

PASSWORD ISSUE

PLEASE REMOVE ONE OF THE PASSWORD LABELS PRINTED ABOVE AND AFFIX IT TO YOUR PAYMENT FORM.

A PASSWORD CAN ONLY BE USED ONCE AND IS SUBSEQUENTLY CANCELLED.

FURTHER PASSWORD ISSUES WILL BE GENERATED AUTOMATICALLY.

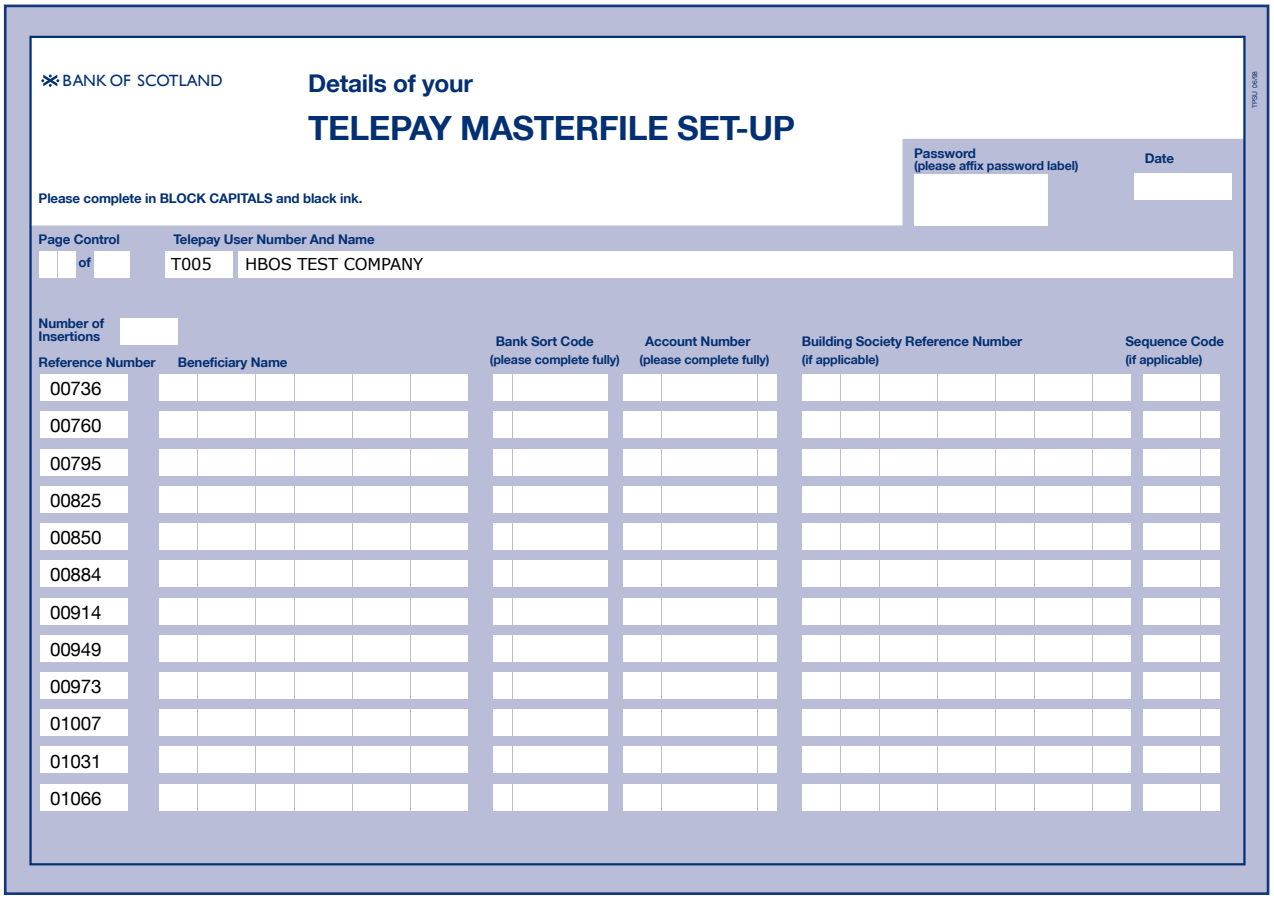
Establishing your Masterfile.

As soon as a Telepay user number has been allocated by us, you'll be sent your initial set of Telepay forms to enable you to establish your Masterfile.

The forms will show your Telepay User Number which has been allocated for each application and this should be quoted on all future correspondence.

A range of reference numbers is pre-printed on the Masterfile which you can use when setting up a file record for each beneficiary. You can keep excess numbers for future use and further numbers are available if required by telephoning the Telepay Helpdesk on **0844 571 0345**.

You can allocate these reference numbers to suit your own requirements; they don't need to run sequentially – for example, to establish sub-divisions of a payroll.



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Details of your

TELEPAY MASTERFILE SET-UP

Password (please affix password label)

Date

Please complete in BLOCK CAPITALS and black ink.

Page Control ___ of ___

Telepay User Number And Name: T005 HBOS TEST COMPANY

Number of Insertions

Reference Number	Beneficiary Name	Bank Sort Code (please complete fully)	Account Number (please complete fully)	Building Society Reference Number (if applicable)	Sequence Code (if applicable)
00736					
00760					
00795					
00825					
00850					
00884					
00914					
00949					
00973					
01007					
01031					
01066					

Completion of the Masterfile set-up form.

Enter customer details.

Customer name: Pre-printed.

Number of insertions: Enter the total number of beneficiaries to be set up (on first page only).

Enter beneficiary details.

Reference numbers: Five digit field. The forms are already completed with computer allocated numbers.

Beneficiary name: Eighteen character field. Please print clearly in capital letters with surname first and then initials.

Bank sort code: Six digit field, for example, 300405.

Account number: Eight digit field, for example, 01234567.

Both the bank sort code field and the account number field must be fully completed. There should be no spaces – refer to Appendix 2 – 'Destination account details'.

Building society reference/roll number: Eighteen character field. Can be alphanumeric i.e. combination of letters and numbers, so when completing this field enter numeric zero as Ø.

This field is used for:

i) Building society investor's number.

ii) Trade supplier's reference number – if a trade supplier requests that you quote a reference number when making payments, this field can be used. If you require guidance on this, ring the Telepay Helpdesk on **0844 571 0345**.

Sequence codes: These are available if you wish to list your beneficiaries in a different order to one dictated by the reference numbers, for example, beneficiaries listed by alphabetical or department order. Please contact the Telepay Helpdesk for assistance.

Enter control details.

Date/Page control: Once all the beneficiary details have been recorded and checked, one of the nominated contacts should complete each form by signing, dating and entering the page control number, for example, 2 of 4, 3 of 4.

Password label: Choose a password and attach to the first page of the form where indicated.

Send completed forms to:
Telepay Processing Centre PO Box 304
Rotherham
S66 6AD

Helpdesk: 0844 571 0345 (9am – 5.30pm)

The Telepay processing centre will set up your Masterfile details on computer and then forward:

Your Masterfile set-up form(s): You should keep these in a secure place. These forms will be your source of information for the allocation of reference numbers for new beneficiaries. If the forms are lost Telepay Helpdesk must be told immediately.

For security reasons, Telepay won't retain any copy Masterfile forms.

Submission summary report: The initial copy shows all the information from the original Masterfile set-up forms.

Submission detail report: Shows the details set-up on your Masterfile. Updated copies of this report will be forwarded to you each time an insertion, amendment or deletion is made to the Masterfile.

To ensure that the data on the Masterfile has been entered correctly please compare the details on the original set-up forms with those on the printed Masterfile. You must check that the total number of beneficiary details on the Masterfile agrees with the total number recorded on the input form.

If there are any discrepancies, please make sure they are changed before, or at the time of your first submission. Please contact the Telepay Helpdesk on **0844 571 0345** for further help.

Fax payment forms (fax submitters only): The beneficiary reference numbers and names are pre-printed, ready for your first submission.

Telephone payment forms (phone submitters only): They'll have the names and account details of your beneficiaries pre-printed against the reference numbers.

Making payments by fax.

This section is a guide to the operation of the Telepay fax system and contains full details on how to inform Telepay of your payment details. You have the flexibility to book a specific call in time if required, or ring whenever it is convenient for you.

How to arrange your agreed call-in time.

The Telepay fax service is open from Monday to Friday 9.30am to 3.30pm.

If you do not want to book a regular time for submissions, you can fax your submission at any time during the opening hours of the Telepay Fax Service.

To arrange the date and time of your first submission, you need to telephone the Telepay Processing Centre Helpdesk on **0844 571 0345**. This call-in time will be confirmed after each submission on the submission summary report.

It is essential to keep to your agreed call-in slot. If you experience any difficulties please contact the Telepay Helpdesk on **0844 571 0345**.

Note: Telepay can only accept one payment submission per day on an individual Telepay User Number.

Completion of the Telepay Payment form.

Please print the information clearly in black ink.

Enter: date (today's date)

- your nominated contact name
- password (affix a label in the box as indicated, one per submission)
- your contact telephone number
- number of pages (number of pages in this submission)
- number of payments (number of beneficiaries with payments)
- total value of all payments being submitted, i.e. sum of all beneficiary payments contained on all payment forms
- the preferred date and time of your next fax submission.

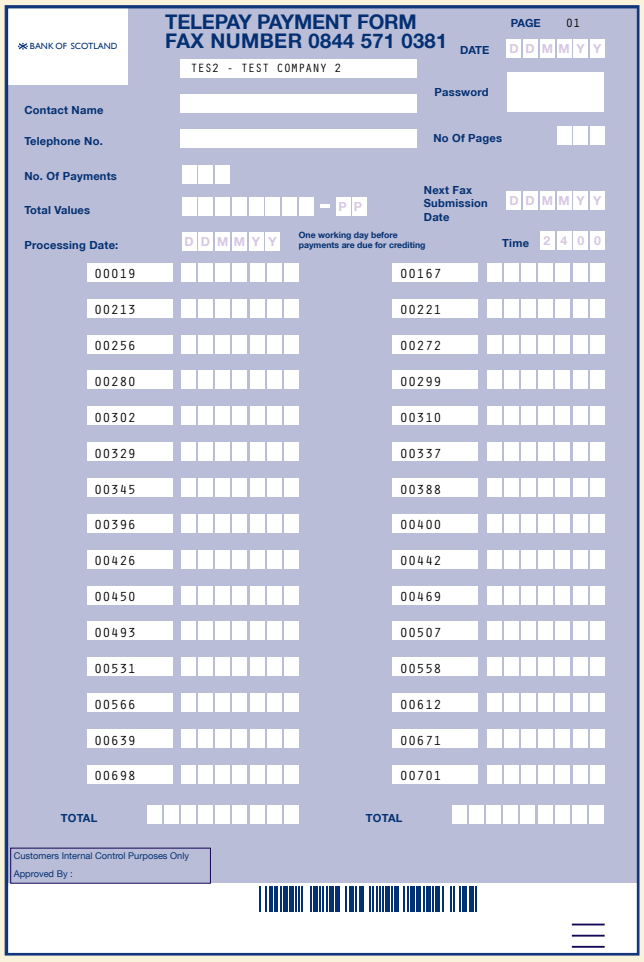
Processing date required – important: This is the bank working day before the beneficiaries' accounts will be credited.

Enter the individual amount you are paying for each beneficiary against the corresponding name/ reference number. Leave the amount field blank for beneficiaries you don't wish to pay. Please don't rule through the fields.

Once you've entered and checked the payment details, complete the batch totals for each column of beneficiaries.

Note: Details on all forms should be checked and signed by the primary or secondary nominated contact before faxing Telepay. The signature is for your own internal control purpose only.

Note: If the total value of the submission exceeds the suggested maximum payment value agreed with your Relationship Manager, this may cause delay or even stop payments being made. If an excess is expected please contact your Relationship Manager to advise them of the revised value and request that they authorise Telepay to process the increased value. (Please also refer to appendix 6).



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TELEPAY PAYMENT FORM
FAX NUMBER 0844 571 0381

PAGE 01

DATE D D M M Y Y

TES2 - TEST COMPANY 2

Password

Contact Name

Telephone No.

No Of Pages

No. Of Payments

Total Values – P P

Next Fax Submission Date D D M M Y Y

Processing Date: D D M M Y Y — One working day before payments are due for crediting

Time 2 4 0 0

00019		00167	
00213		00221	
00256		00272	
00280		00299	
00302		00310	
00329		00337	
00345		00388	
00396		00400	
00426		00442	
00450		00469	
00493		00507	
00531		00558	
00566		00612	
00639		00671	
00698		00701	
TOTAL		TOTAL	

Customers Internal Control Purposes Only
Approved By :

Fax your submission to Telepay.

You have the flexibility to book a specific fax in time if required, or fax whenever it is convenient for you.

At your designated time, fax the Telepay Payment forms (together with a Telepay Insertion/Amendment form if applicable) – see below 'Insertions and amendments to the Masterfile.'

Fax: **0844 571 0381**.

Telepay will then process your Bacs payments and forward the reports detailed in appendices 4 and 5, by first class post to your nominated contact.

If you haven't received the reports by 2pm on Day 2 (Processing Day), please telephone the Telepay Helpdesk on **0844 571 0345** who'll confirm the details of the payments being made.

> Only one submission per Telepay User Number is allowed on any one day.

Also enclosed will be new payment forms for your next submission.

Normally a time slot for each user is sufficient but there are occasions when the previous user has overrun. If the line is engaged, a line busy message will be received. Please try to connect again a little later. If you can't connect within a reasonable time, ring the Telepay Helpdesk on **0844 571 0345** who'll be able to help you.

Note: Please make sure your submission is sent in the following sequence:

1. Fax Payment form(s).
2. Insertion/Amendment form(s).

Note: If you don't wish to make a payment submission on the date agreed, please advise the Telepay Helpdesk on **0844 571 0345**, either prior to, or at the time agreed for submission.

Insertions and amendments to the Masterfile.

Sometimes you'll need to update record details on your Telepay Masterfile. One of the benefits of Telepay is that you can add new beneficiaries to your Masterfile or amend the existing beneficiary details and still originate the payment on the same day. So any changes should be made at the same time as faxing through payments.

Completion of the Insertion/Amendment form.

To make it easier to complete the form is in two sections:

- Insertions – new beneficiaries.
- Amendments – amendments and deletions.

Insertions – new beneficiaries.

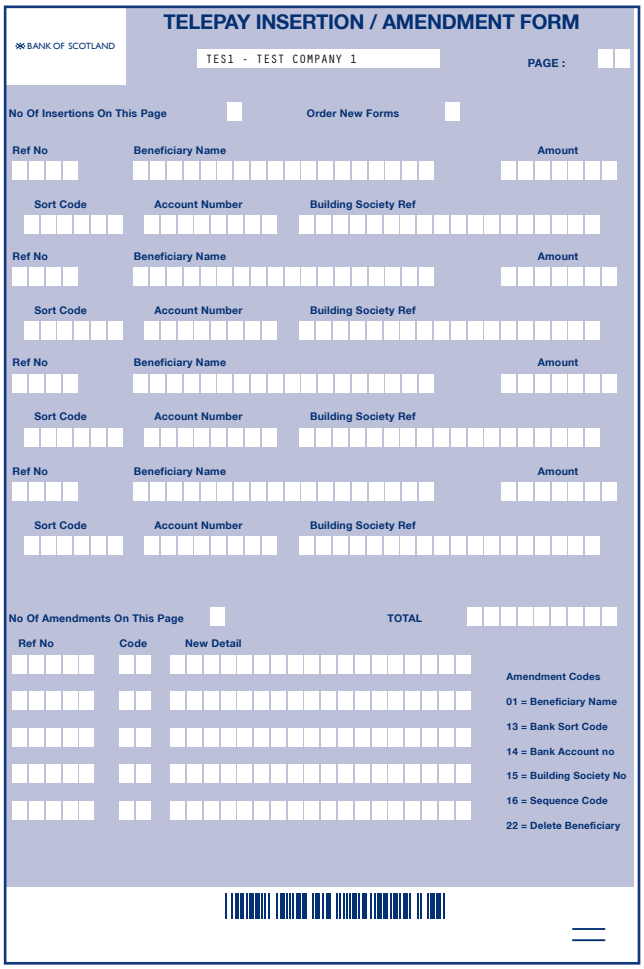
Number of insertions on this page	Total number of insertions on this page.
Order new forms	If you need more Insertion/ Amendments forms tick this box.
Reference number	Please enter your next available from the list on your Telepay Set-up form. If you need more computer allocated reference numbers then please contact the Telepay Helpdesk on **0844 571 0345**.
Beneficiary name	Enter the beneficiary name.
Amount	Enter the payment value (only if a payment is applicable to the new beneficiary insertion).
Sort code	Enter the bank sort code of the beneficiary.
Account number	Enter the account number of the beneficiary.
Building society reference	Enter the building society/roll number (if applicable).
Total	A total of all the payments being made to insertions on that page only.

Note: Make sure that the totals of any payments being made to insertions are included in the total value on the first page of your payment form.

Amendments – amend existing beneficiaries

Number of amendments on this page	Total number of amendments on this page.
Reference number	Enter the Reference number and only the details you wish to change.
Code number	Enter the relevant two digit amendment code number. These are quoted on the side of the form.

Note: If a beneficiary changes their account from a building society to a bank, the building society reference number is no longer needed. You'll also need to amend the sort code (code 13) and the account number (code 14), insert code 15 and 'DELETE' in the 'New Detail' column, this will clear the building society number from the building society field.



Deletions.

Reference number	Enter the reference number and only the details you wish to change.
Code number	Enter the code number '22' as quoted on the right of the form. Write 'DELETE' in the box called New details.

Note: It isn't possible to make a payment and delete a beneficiary in the same run.

Making payments by telephone.

This section is a guide to the Telepay telephone system and contains full details on how to let Telepay know of your payment details.

How to arrange your agreed call-in time.

You have the flexibility to book a specific call in time if required, or ring whenever it is convenient for you. If you do not want to book a regular time for submissions, you can telephone your submission at any time during the opening hours of the Telepay Phone Service.

The Telepay service is available from Monday to Friday 9.30am to 4.30pm. You'll need to telephone the Telepay Helpdesk on **0844 571 0345** to arrange the date and time for your first call-in.

After each submission you'll be asked to book a date and time for your next call which will be confirmed on the submission summary report. It's important that you keep to your agreed timeslot. If you experience any problems please contact the Telepay Helpdesk.

Completion of payment input forms.

The Telepay Payment forms for telephone users are pre-printed with your customer name and number, together with reference numbers, names and account details of every beneficiary held on your Masterfile. All you need to complete is the amount you wish to pay each beneficiary and the control details.

Insert payment amounts.

Enter: The individual amount you're paying to each beneficiary.

Rule through: The details of beneficiaries you don't wish to pay.

Once all the beneficiaries' details have been recorded and checked by the primary or secondary contact, control details must be added.

On the first page – enter.

Processing date: IMPORTANT – This is the bank working day before the beneficiaries' account will be credited. Refer to page 2 – 'Time cycle'.

Submission total: The total amount of all payments being submitted. Please ensure that this doesn't exceed your limit.

Password: Choose a password label and attach to the first page of the form where indicated.

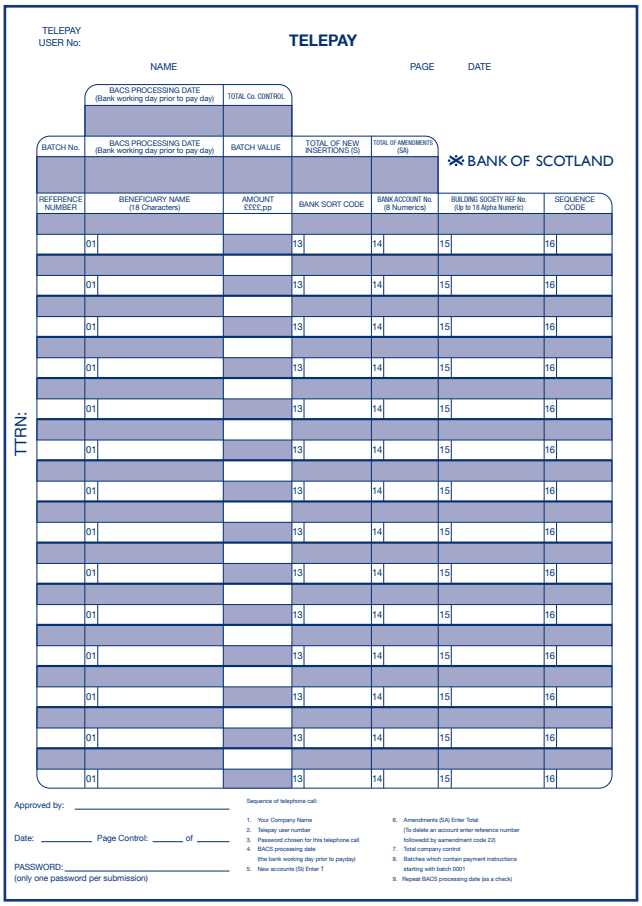
On each page – enter.

Page total: The total payments on that particular page.

Date/Page control: The page should be dated and the page control entered, for example, 2 of 4, 3 of 4.

Signature: For your own internal control purposes only, the forms may be signed.

You're now ready to telephone your payment instructions to the Telepay Processing Centre.



Payment submission.

At your pre-arranged date and time, just call the Telepay helpdesk for direct access to Telepay on **0844 571 0345**.

Once you are connected, the Telepay operator will ask you a series of questions and answers. The Telepay operator will guide you through the call and ask for.

- your Telepay user number
- your selected password
- processing date required – the bank working day before crediting date
- your total payment amount
- your company name.

Note:

a) You should read alphabetic information a phrase or word at a time and then spelt to avoid any possible misinterpretation, for example, Omega Graphics should be read as O.M.E.G.A (pause) G.R.A.P.H.I.C.S.

b) To speed up the call decimal points should not be used in amounts.

c) If the totals, or payment amounts are in pounds only, read 'pence' as ZERO, ZERO.

d) You don't need to read the first zero.

WRITTEN	01600 £350.00
READ	ONE, SIX, ZERO ZERO (pause) THREE, FIVE, ZERO, ZERO ZERO
WRITTEN	00973 £725.50
READ	NINE, SEVEN, THREE (pause) SEVEN, TWO, FIVE, FIVE, ZERO

If you need help please ask the Telepay operator before you continue with your payment instructions.

The next part of the call is for adding new beneficiaries or making amendments to your Masterfile. If you want to make any insertions or changes, see page 7 'Insertions and amendments to the Masterfile' for details. If you don't want to change your Masterfile, answer 'No'.

The Telepay operator will then continue the call, and ask for:

- Submission total – total amount of all payments being submitted.

For each page the Telepay operator will ask for:

- batch value
- individual payment details – read the reference numbers and amounts only.

Continue until the last payment on that page has been called, and then say 'end of batch'.

The operator checks the batch total and, if correct, will ask you for the total of the next batch.

If the batch total doesn't balance, the operator will re-check each entry and correct where necessary.

However to avoid unnecessary delays, make sure that all batch totals are checked before the telephone call is made.

The procedure continues until all payments have been relayed, and the final total of payments keyed agrees with the submission total at the start of the call.

Completing the telephone call.

The operator will confirm your submission has been completed. Telepay will then process your payments through the Bacs system and forward the reports detailed on page 18 (see also appendix 4 and 5), by first class post to your nominated contact. Also enclosed will be the Telepay input forms for your next submission.

If you haven't received the reports by 2pm on Day 2 (processing day), please telephone the Telepay Helpdesk on **0844 571 0345** who'll confirm the details of the payments being made.

Only one submission per Telepay User Number is allowed on any one day.

Completion of insertions/amendments.

There are three types of changes that can be made to the Telepay Masterfile; insertions of new beneficiaries, amendments to existing beneficiaries and deletions.

If you've new beneficiaries then all you need to do is use the next unallocated beneficiary reference number on your form and complete in the relevant fields – name, bank sort code, account number, building society details (if applicable) and sequence code (if applicable). If you've amendments for an existing beneficiary then simply write the new detail on to the Telepay form directly beneath the details to be amended.

Details of amendments are advised before the payment details. The part of the call allocated to making amendments will take the following format:

Insertions – new beneficiaries.

You'll be asked for the total number of new beneficiaries.

USER I have XX (number of) insertions

TELEPAY Please proceed

You'll then be asked to provide details of new beneficiaries, one at a time, quoting the details below:

USER Reference number
Name
Bank sort code
Bank account number
Building society details (if applicable)
Sequence code (if applicable)

This procedure is repeated until all new beneficiary details have been relayed.

Amendments – amend existing beneficiaries.

You'll be asked for the total number of amendments. Any deletions should be included in your total and read over with all other amendments.

It isn't possible to pay and delete beneficiaries details at the same time.

USER I now have XX (number of) amendments

TELEPAY Please proceed

You'll then be asked to provide details of amendments. You must tell the operator when you've completed each amendment by saying 'next'.

USER	REF NO	CODE	AMENDMENT	SPEAK
Read	00019	01	BON ARGENT	NEXT
	00043	14	80900873	NEXT
	00078	15	0769534091 HES	NEXT
	00132	13	20-72-19	NEXT
	00167	22		

Note: If you've more than one amendment for the same beneficiary, read each as a separate amendment, pre-fixed by the beneficiary reference number.

Once all amendment details have been relayed, the operator is then ready to accept your payment details.

Telepay reports.

On completion of the submission, the payment details will be matched against the Telepay Masterfile to produce a payment file. This is then transmitted via a telecommunications link direct to Bacs.

The following reports will be produced and sent to your nominated contact on submission day by first class post, clearly marked 'private and confidential'.

Submission summary report: Provides a summary of all the control details from your payment submission, together with confirmation of your next call-in date and time. This report highlights any errors – see opposite 'Error Messages.'

Submission detail report: This report gives full details of all payments, insertions, amendments and deletions to your Masterfile, showing both the original and amended records.

This report also gives full details of payments to be made for a particular crediting day, showing both the amounts and account details of each beneficiary.

If there are any discrepancies, then please contact the Telepay Helpdesk on **0844 571 0345**, and make changes the next time you make your payment submission.

Discrepancy report: If there are any control total discrepancies these will be highlighted in this section. For more help on this contact the Telepay Helpdesk on **0844 571 0345**.

Updated Masterfile report: This provides an update of any changes made to the Masterfile. It lists the details held for all beneficiaries on the Masterfile.

Payment form: A pre-printed Telepay payment form in preparation for your next submission.

It is important that the details are checked as soon as the report is received.

Recall of payments.

If you need to stop a payment which you have already authorised by submission of your payment instruction to Telepay, you can withdraw your authorisation at any time up to the relevant cut off time for submission instructions. That means you will need to contact the Telepay Helpdesk on **0844 571 0345** to inform them that authorisation has been withdrawn before 3.30pm for faxed instructions and 4.30pm for submissions made by telephone or through your PC. After that time you may be able to recall a payment by calling your account holding branch or Customer Service Centre as soon as possible but no later than 3pm the day before the payment is due to be made.

- service name (i.e. Telepay)
- amount
- name of beneficiary
- sort code and account number
- date on which the account is due to be credited.

Note:

a) If the payment is for a lesser amount than the intended value then the payment shouldn't be stopped and you must make a balancing payment, by cash or cheque, direct to the beneficiary.

b) There are payments to some building societies which can only be recalled on Day 1 (the day you submit). Please contact your branch as soon as you realise you wish to recall a payment and they'll advise you of the position.

c) All verbal instructions to your branch in respect of recall requests must be confirmed in writing without delay.

Although every effort will made to act upon receipt of a request, the bank does not accept liability for any loss resulting from failure to recall the payment for whatever reason.

Error messages.

When checking your Telepay reports, you may find one or more of the following error messages has been highlighted on the summary submission report. You'll normally have been made aware of these at the time of, or shortly following your submission.

Message – more than one movement for this code.

Reason: More than one payment has been allocated against a particular reference number. All payments will have been processed.

Solution: If two payments are wanted then ignore this message. At the time of the submission the system will highlight immediately if more than one payment item has been entered for a beneficiary. The Telepay operator will report this to you at the time for re-checking and amending if necessary.

Message – greater than maximum.

Reason: The total amount you have submitted (control value) is larger than the credit limit you have set with Telepay.

Solution: If you haven't done so already, contact your account-holding branch immediately to arrange a temporary or permanent limit increase. If you've already contacted your branch to increase your limit, this warning may still appear for information purposes only.

Message – warning – crediting date less than seven days.

Reason: The last processing date quoted is less than seven days after the previous processing date.

Solution: If you process more frequently than once a week then ignore this message. If you find that the processing date is incorrect please telephone the Telepay Helpdesk on **0844 571 0345**.

Message – discrepancy.

Reason: The initial submission total quoted did not correspond with the sum of individual payments.

Solution: This will appear for information only.

Limits – temporary or permanent amendments.

You'll have set your Telepay limit which is the maximum value of payments which you can make in any selected period. You cannot exceed this limit without prior authorisation from your Bank of Scotland Relationship Manager.

Amendments to your Telepay limit can be temporary or permanent:

Temporary amendment.

A temporary increase to your Telepay limit may be required at year end, holidays, and for bonus payments, etc. Please ask your Relationship Manager to arrange for authorisation at least 48 hours prior to your submission to Telepay.

Permanent amendment.

If a permanent amendment is required to your limit, please allow 10 working days for your new Telepay limit to be effective.

If you make a submission which exceeds this limit, your submission will be accepted, but will be 'held' until authority is received via your Relationship Manager to process. If authorisation isn't received your payments won't be processed.

Bank of Scotland reserves the right to exercise absolute discretion in processing payment instructions which may or may not exceed the Telepay limit, with or without reference to the customer.

Contact replacement.

If you wish to change either of your nominated contacts please advise the Telepay Processing Centre of the details in writing. Please ensure that the advice is signed by one of your existing nominated contacts.

Transfer of your banking facilities.

If you change your bank branch, please contact your Relationship Manager for guidance. They'll need to let the Telepay section know in writing.

Address amendment.

If you change your company address, please advise Telepay of the details in writing. Please ensure that the advice is signed by one of your nominated contacts.

Appendix 1.

The Bacs system.

Bacs is an important part of the UK banking industry, and is the main processing centre for fully automated debits and credits on behalf of us and for bank-sponsored customers.

All files processed by the Bacs system are for 'same day debiting and crediting' which means, for Telepay customers, that your account is not debited with the total net amount of a file until the day the beneficiaries' accounts are credited with individual file items.

Payments made through the Bacs system are transferred directly into the beneficiaries' accounts using instructions provided by the payer by means of an acceptable form of computer input media. The Bacs system computers sort the transactions into the destination bank order and transmit them to the banks for crediting to the appropriate accounts.

Processing cycle.

The table below shows the time cycle for processing by the industry standard Bacs system. All items submitted to Telepay must be completed by 3.30pm for fax submissions and 4.30pm for telephone or PC submissions. The payer's account will be debited and the beneficiaries' accounts credited at their branches on Day 3 of the Bacs cycle.

DAY 1 INPUT DAY	Bacs processing	DAY 2 PROCESSING DAY	Bacs processing	DAY 3 FUNDS AVAILABLE
Customer input to TELEPAY Telepay submits to the BACS system RECALLS Last day if destined for HO Collection A/C		This date appears on the Telepay submission summary report despatched on input day RECALLS Last day for recall of payment to Bank Branch Account		Funds available to the beneficiary through the ATM network from 7am

The Bacs system is highly dependable. This is ensured by the strict security of systems and premises, on-site maintenance and provision of stand-by computer and support services.

Appendix 2.

Destination account details.

Bank sort codes
There is a standard format for all bank sort codes, which consist of six numeric digits, for example, 300001. Sort codes should always be entered in this manner on your Telepay forms.

A sort code validity check is undertaken during your submission. Invalid codes are identified and you will be asked to make alternative payment arrangements.

Bank account numbers
Standard bank account numbers, as used by Telepay, consist of eight numeric digits, for example 01234567. If the account number of a beneficiary consists of less digits you simply add leading zeros to make it eight.

Some examples of non-standard bank account numbers are given below:

BANK	SAMPLE ACCOUNT NUMBER	FOR TELEPAY CONVERT TO EIGHT DIGITS	REMARKS
NatWest (sometimes only eight digits quoted)	02-34567890	34567890	Also enter 02-34567890 in the building society reference field
National Girobank	123456789 (Code: 72-00-00)	23456789 (Code: 72-00-01)	Omit the first digit of account number which becomes last

Note: If you are uncertain of the converted format to be used, please contact the Telepay Helpdesk on 0844 571 0345 for assistance.

Advice of revised destination account details
Users of Telepay may occasionally receive, via their own account-holding branch, advice slips indicating that a change is required to beneficiaries' account details. These changes should be effected in your Telepay file records by using an Insertion/Amendment form after confirmation with the beneficiary concerned.

Queries should be directed to the beneficiary's branch.

Appendix 3.

Destination accounts with building societies (and other financial organisations without sort codes).

It isn't possible to use Telepay and the Bacs system to send a credit direct to an account maintained with a building society or other financial institution which doesn't have its own sort code number. Credits can be sent to such organisations, however, through the medium of that organisation's account with a bank providing the following rules are strictly observed when completing the Telepay form. Such payments may be subject to a slight delay in reaching the beneficiary's account.

Name: Enter the name of the building society (or other organisation).

Bank sort code: Enter the bank sort code at which the building society's (or other organisation's) account is held.

Bank account number: Enter the building society's (or other organisation's) account number. Some building societies which maintain a collection account with a bank head office have no account number allocated. In such cases the account number box on the input form must be completed with 8 figure 1's, i.e. 11111111.

Building society (maximum 18 alpha/numeric characters): Enter the beneficiary's reference number or roll number with the building society (or other organisation), followed by as many characters of the beneficiary's surname that can be fitted into the spaces.

Note: If you're not sure of the format you need to use, please contact the Telepay Helpdesk on **0844 571 0345** for a copy of the 'Crediting and Debiting Bank and Building Society' manual.

Appendix 4.

Specimen submission summary report.

SECTION: SUBMISSION DETAIL REPORT ALAN BANKS ELECTRICAL (COMMUNICATIONS)

BEN REF	NAME	AMOUNT	SORT CODE	ACCOUNT	BUILD SOC REF	ACTN	<----------OLD DETAILS----------> NAME	SORT	ACCOUNT	BUILD SOC REF
00201	CLOISTER T	300.93	01-01-01	12345678						
00214	CARLING A J	390.90	01-01-01	12345678						
00224	WALKINGTON J	253.66	01-01-01	12345678						
00265	TEDDINGTON D	440.77	01-01-01	12345678						
00387	SCOTT K	466.36	01-01-01	12345678						
00462	CARLING A S MRS	366.44	01-01-01	12345678						
00710	EUBANK S E	79.00	01-01-01	12345678						
00854	PETERS D	599.29	01-01-01	12345678						
01013	STEVENS D	342.12	01-01-01	12345678						
01606	BEN NEWINGTON	490.40	01-01-01	12345678						
01297	TONY SPIRES	380.80	01-01-01	12345678						
01334	ROGER SMITH	750.45	01-01-01	12345678						
01422	SHAUN TALBOT	340.74	01-01-01	12345678						
01475	DIANE JONES	690.34	01-01-01	12345678						
01507	PETER KILBRIDE	328.55	01-01-01	12345678						
01742	ARTHUR OLDEN	339.98	01-01-01	12345678						
01884	LAURA PLATES	462.44	01-01-01	12345678						
01892	JOHN CRUIKSHANK	456.34	01-01-01	12345678						
01920	CRAIG MORGAN	376.74	01-01-01	12345678						
01973	J LAWTON	126.11	01-01-01	12345678						

SECTION: NEXT AVAILABLE BENEFICIARY NUMBERS

COMPANY	P4FY	REF NOS	09116	09134	02002	02045	02908

Appendix 5.

Specimen submission/discrepancy/updated Masterfile report.

SECTION: SUBMISSION DETAIL REPORT ALAN BANKS ELECTRICAL (COMMUNICATIONS)

BEN REF	NAME	AMOUNT	SORT CODE	ACCOUNT	BUILD SOC REF	ACTN	<----------OLD DETAILS----------> NAME	SORT	ACCOUNT	BUILD SOC REF
00201	CLOISTER T	300.93	01-01-01	12345678						
00214	CARLING A J	390.90	01-01-01	12345678						
00224	WALKINGTON J	253.66	01-01-01	12345678						
00265	TEDDINGTON D	440.77	01-01-01	12345678						
00387	SCOTT K	466.36	01-01-01	12345678						
00462	CARLING A S MRS	366.44	01-01-01	12345678						
00710	EUBANK S E	79.00	01-01-01	12345678						
00854	PETERS D	599.29	01-01-01	12345678						
01013	STEVENS D	342.12	01-01-01	12345678						
01606	BEN NEWINGTON	490.40	01-01-01	12345678						
01297	TONY SPIRES	380.80	01-01-01	12345678						
01334	ROGER SMITH	750.45	01-01-01	12345678						
01422	SHAUN TALBOT	340.74	01-01-01	12345678						
01475	DIANE JONES	690.34	01-01-01	12345678						
01507	PETER KILBRIDE	328.55	01-01-01	12345678						
01742	ARTHUR OLDEN	339.98	01-01-01	12345678						
01884	LAURA PLATES	462.44	01-01-01	12345678						
01892	JOHN CRUIKSHANK	456.34	01-01-01	12345678						
01920	CRAIG MORGAN	376.74	01-01-01	12345678						
01973	J LAWTON	126.11	01-01-01	12345678						

SECTION: NEXT AVAILABLE BENEFICIARY NUMBERS

COMPANY	P4FY	REF NOS	09116	09134	02002	02045	02908

Appendix 6.

Ancillary charges.

Unscheduled calls £5
Applies when submissions are received by Telepay on a day other than agreed at the time of the last submission.

Fax call back £5
Applies when additional information or clarification is required to enable submissions to be processed.

To apply to the following:

Password missing	Incomplete bank details
Discrepancies	Batch total missing
Password invalid	Duplicate bank details
References missing	Processing date invalid
Subtotal missing	Forgot/late submission

Overlimit charge £50
Applies when a request for payments exceeds the agreed Telepay limit.

You may make your submission before your agreed time slot on the day you have booked without any charge.

Amendments to the date of submission can be made by contacting the Helpdesk providing at least 24 hours notice is given.

Please check your details before sending your submission to Telepay.

Our Service Promise.

We aim to provide the highest level of customer service possible. However, if you experience a problem, we will always seek to resolve this as quickly and efficiently as possible. If something has gone wrong, please bring this to the attention of any member of staff. The complaint procedures are also published on our website: **www.bankofscotlandbusiness.co.uk/contact us**

Information is available in large print, audio and Braille on request.

www.bankofscotlandbusiness.co.uk

We accept calls made through RNID Typetalk.

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

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Bank of Scotland plc is covered by the Financial Services Compensation Scheme and the Financial Ombudsman Service.
(Please note that due to the schemes' eligibility criteria not all Bank of Scotland business customers will be covered by these schemes.)

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Information correct as at December 2011.

Telepay (1211PSD)

BANK OF SCOTLAND